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United States Submits Regulatory Reform Proposals to Japan

LOS CABOS, MEXICO – The Office of the United States Trade Representative today presented to the Japanese Government far-reaching reform proposals designed to facilitate a return to sustainable growth and open markets in Japan.

The United States provides these proposals annually under the Regulatory Reform and Competition Policy Initiative (Regulatory Reform Initiative), which was launched on June 30, 2001 as an important component of the U.S.-Japan Economic Partnership for Growth by President Bush and Prime Minister Koizumi.

Deputy U.S. Trade Representative Jon M. Huntsman, Jr. presented the recommendations to Japanese Senior Vice Minister for Foreign Affairs Toshimitsu Motegi on the occasion of the Asia-Pacific Economic Cooperation (APEC) Ministerial Meeting in Los Cabos, Mexico.

“A strong Japanese economy is important for the global system. Our reform proposals are designed to help break the logjam of regulations that impede Japan’s return to long-term growth,” U.S. Trade Representative Robert B. Zoellick said. “The recommendations are in line with what Prime Minister Koizumi is already advocating with his commitment to ‘structural reforms without sanctuaries’ – a commitment he affirmed in the Japanese Parliament just last week.”

Each year, the two Governments exchange reform recommendations in the fall under this Initiative, which serve as a basis for an annual report to the President and Prime Minister, specifying reform measures to be taken by each Government. USTR is the lead agency for the U.S. Government for this Initiative while the Ministry of Foreign Affairs takes the lead for the Japanese Government.

“The measures we have recommended will help Japan more quickly get its economy back on track and increase access to its markets, which in turn means greater opportunities for U.S. businesses and workers to sell American goods and services there,” Zoellick added.

These recommendations – contained in a 45-page document – focus on key sectors such as

information technologies, telecommunications, energy, medical, and healthcare. They also cover broader economic issues, such as competition policy. Proposals to Japan this year include: removing barriers to e-commerce; establishing an independent regulatory body for Japan's telecom sector shielded from political influence; expediting plans to further liberalize the electricity and gas sectors; establishing a Prime Minister's council on healthcare reform to help increase the effectiveness of Japan's healthcare system in the face of a rapidly aging society; and moving Japan's Fair Trade Commission to the Cabinet Office where it can be a truly independent antitrust enforcement agency.

Private sector input played an integral role in the deliberations of the various Working Groups established under the Initiative, providing valuable expertise and recommendations.

The first Report to the Leaders (concluded on June 25, 2002) included reform measures Japan has taken or will take, including: eliminating burdensome bureaucratic red tape for firms that compete with Japan's telecommunications monopoly, NTT; strengthening protection of intellectual property over the Internet and content in digital form that will benefit music, software, and related industries; expediting pharmaceutical and medical device approvals; and streamlining customs clearance procedures.

Building on last year's progress, the Working Groups will begin meeting in mid-November to take up this year's reform proposals. These initial meetings will be followed by a deputies-level meeting chaired by Deputy USTR Huntsman and his counterpart at the Japanese Ministry of Foreign Affairs, Deputy Foreign Minister Fujisaki.

(A summary and detailed annex of the reform recommendations can be found at www.ustr.gov.)

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